Seeking Alpha α

Symbols, authors, keywords

Written by
Brad Thomas
Marketplace
Author of iREIT on Alpha.
The #1 Service For Safe and Reliable REIT Income
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Watchlist ...
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Symbol	Price	% Chg
AAPL	128.10	0.20%
ABNB	162.33	-3.89%
BCPC	132.63	-0.73%
BKNG	2,337.92	-1.89%
BRK.A	424,840.00	0.81%
CMG	1,426.50	-1.62%
CNSWF	1,486.72	0.05%
CTAS	348.59	-0.62%
DPZ	431.89	-0.48%
EBAY	58.24	0.95%
ENSG	86.32	-0.25%
HEI	136.99	-1.93%
HSIC	78.91	-1.20%
IDXX	529.92	0.58%
MA	369.14	-1.80%

Expand Portfolio

Amazon: All In

Apr. 30, 2021 7:00 AM ET | Amazon.com, Inc. (AMZN) | 255 Comments | 67 Likes

Summary

- Now is the typical time of the week where I focus on a non-REIT stock.
- With many REITs becoming soundly valued, I'm becoming increasingly fixated on innovative growth stocks.
- That's how income investors can profit from one of the greatest wealth creation engines in history.
- This idea was discussed in more depth with members of my private investing community, iREIT on Alpha. Learn More »

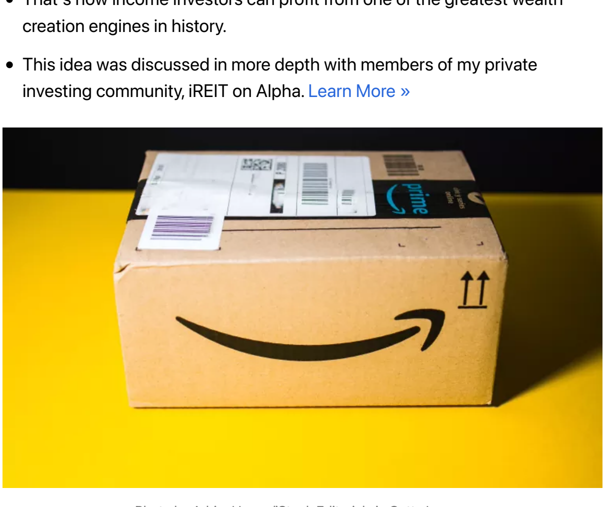


Photo by AdrianHancu/iStock Editorial via Getty Images

This article was coproduced with Dividend Sensei.

You guessed it: Now is the typical time of the week where I focus on a non-REIT stock. With many REITs becoming soundly valued, I'm becoming increasingly fixated on innovative growth stocks.

As most investors know, there are two primary ways you can retire rich from Wall Street:

1. Focus on quality dividend growth stocks, such as dividend aristocrats.
2. Focus on growth with stocks like Amazon (AMZN) that you can buy and hold.

I know this is a topic I wrote about by myself on April 1. But when Dividend Sensei said he wanted to add on some information, I wasn't about to turn him down. Here's why...

One dollar invested in Amazon in 1998 is now worth $378, adjusted for inflation. The S&P 500, in contrast, has not quite quadrupled investor wealth.

That's a major difference. Obviously. So it's not surprising that the financial media likes to hype "the next Amazon" as your ticket to a rich retirement.

But guess what?

You don't have to find the next Amazon to get rich. Amazon itself is still expected to make long-term investors a fortune.

Reason 1: World-Class Quality

According to the 2017 study Do Stocks Outperform Treasury Bills? by Arizona State University's Hendrik Bessembinder, 52% of all stocks lose money over time. That's why we're so safety focused.

Buying random companies at random prices is a great way to achieve subpar returns over the long term. At best.

But Amazon isn't a random company. It's one of the world's premier hyper-growth blue chips.

It scores 91% for balance sheet safety, 82% for long-term dependability, and 80% for its general business model. That brings it to a total 86% in Dividend Kings' book, which makes for a 12/12 Ultra-SWAN stock. Bank of America even thinks that, with its "diversified revenue streams, Amazon could hold up better than (its) e-commerce peers during a reopening." And it's not the only blue-chip analyst that sees things going from great to greater.

The general consensus is that AMZN will do very well in 2021 – far better than its other digital peers – despite some very tough 2020 comparisons it's worth with. Last year, it saw amazing year-over-year growth results, including (according to FAST Graphs and FactSet Research):

- Earnings – 82%
- Owner earnings – 145%
- Operating cash flow – 70%
- Free cash flow – 18%
- Earnings before interest, taxes, depreciation, and amortization (EBITDA) – 28%
- EBIT (operating income) – 53%.

Yet Amazon's hyper growth is expected to continue through at least 2026. Here are consensus estimates...

Metric	2021	2022	2023	2024	2025	2026
Earnings	14%	38%	38%	31%	28%	36%
Owner Earnings (Buffett smoothed-out FCF)	-13%	n/a	n/a	n/a	n/a	n/a
Operating cash flow	6%	20%	18%	35%	16%	17%
Free cash flow	33%	42%	28%	49%	24%	21%
EBITDA	79%	25%	20%	n/a	n/a	n/a
EBIT (operating income)	31%	40%	34%	n/a	n/a	n/a

(Source: FAST Graphs, FactSet Research)

We'll deal more about those expectations in the next segment. For now though, let's keep talking about quality. Like how S&P rates Amazon AA- with a stable outlook, meaning it has a 0.55% 30-year default/bankruptcy risk.

And how Fitch gives it an A+ with a positive outlook, equaling a 0.6% risk. And how Moody's marks it as A2 – an A equivalent – with a positive outlook = 0.66% 30-year default/bankruptcy risk

They reach those conclusions in part by looking at its fortress balance sheet:

Financial Strength 6/10

	Current	Vs Industry	Vs History
Cash-To-Debt	1		
Equity-to-Asset	0.29		
Debt-to-Equity	0.9		
Debt-to-EBITDA	1.65		
Interest Coverage	13.9		
Piotroski F-Score	5	0 1 2 3 4 5 6 7 8 9	
Altman Z-Score	6.26	DISTRESS GREY SAFE	
Beneish M-Score	-2.91	Not Manipula Manipulat	
WACC vs ROIC		ROIC 12.4% WACC 7	

(Source: Gurufocus Premium)

Even including its large lease obligations, Amazon's cash of $42 billion – which is expected to hit $90 billion this year – matches its debt. Leverage is about half the safe-industry guideline set by rating agencies. And interest coverage is almost 2x the safety guideline.

As for returns on capital, the average Dividend Kings Master List company has an 88% ROC. The average aristocrat comes in at 83%. And the average Ultra SWAN's ROC is 87%.

Amazon's over the past year, however, was 21.5% – in the top 26% of its peers and almost double what it was five years ago.

Yet this company isn't done investing in growth. Not by a long shot. Its stable, wide-moat business is generating 25% cash returns on invested capital...

Investment returns that are literally on par with the greatest investors in history.

In 2020, Amazon put $73 billion into growing its business. By 2026, that's expected to rise to $122 billion. But as its economies of scale improve, so will its profitability.

Right now, Amazon's FCF margins are expected to more than double over the next five years. And all its margins are expected to increase significantly too.

Amazon Profit Consensus Forecast

Year	Sales	FCF	EBITDA	EBIT	Net Income
2020	$386,064	$31,018	$57,284	$22,899	$21,331
2021	$475,125	$38,377	$70,953	$30,101	$24,829
2022	$559,699	$58,859	$89,453	$42,270	$35,055
2023	$645,237	$76,774	$108,211	$59,142	$48,534
2024	$727,847	$100,942	$138,982	$74,209	$64,499
2025	$816,658	$127,074	$168,529	$93,208	$83,551
2026	$917,435	$156,057	$205,129	$132,177	$114,235
Annualized Growth	15.52%	30.90%	23.69%	33.93%	32.27%

(Source: FactSet Research Terminal)

All told, Amazon is on track to become the most profitable company in world history by 2026.

Reason 2: Growth Potential That's Still Mind-Blowing

In 2027, this company could become the first in history to break $1 trillion in revenue. Certainly, by 2026, the 50 analysts that cover Amazon expect it to make $917 billion in sales.

Growth Estimates	AMZN
Current Qtr.	89.60%
Next Qtr.	5.20%
Current Year	13.90%
Next Year	38.80%
Next 5 Years (per annum)	38.37%
Past 5 Years (per annum)	100.60%

(Source: Yahoo Finance, Reuters/Refinitiv from 37 out of 50 analysts)

The key to such incredible growth is margin expansion, especially through its AWS and advertising services. As it is, AWS remains the world's No. 1 name in cloud computing.

Yet its operating margins are expected to keep rising from an already impressive 29% in 2020 to 46% by 2026. Amazon keeps cutting AWS prices to maximize its market share – without sacrificing profitability, which just keeps going up.

That's what happens when you have such a competitive advantage in data, created by more than 200 million global prime members.

Then there's advertising. Amazon is the third-biggest digital advertiser in the world already, with ever-growing market share.

Piper Jaffrey estimates that Amazon advertising generates about 75% operating margins. And in 2020, Business Insider says its advertising revenue was $21.5 billion, up 131% from 2019.

That's because it works. Buyers ranked Amazon in second place in the category of return on investment out of all platforms, second to Google (NASDAQ:GOOG) (NASDAQ:GOOGL) search. They noted that Amazon has high customer purchase intent, since people are on Amazon to purchase, not just to scroll.

Knowing that, brands, agencies, and third-party sellers are all pumping investment into Amazon Advertising. More and more, in fact.

Thirty-four percent of the platform's sellers plan to spend more on strategic advertising this year than before.

Ad spend is shifting from sponsored product ads to sponsored display and brand ads—which see an increased return on investment.

Amazon is without question the king of U.S. digital retail already. And it's increasingly a dominant force in global digital retail as well.

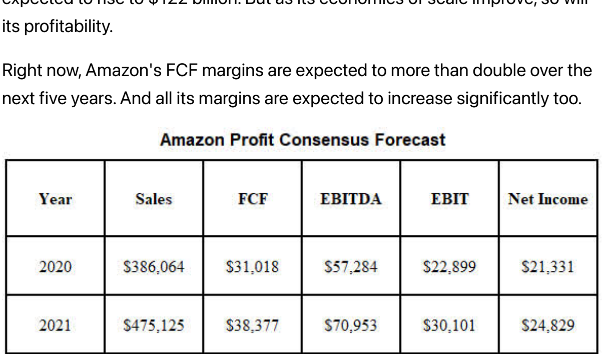
As such, both Statista and analyst firm Cowen estimates Amazon's advertising sales will hit $85 billion in 2026. For such a wonderful overall company, you might expect the market would be demanding a rich premium.

But that's where you'd be wrong.

Reason 3: a Wonderful Company at a Wonderful Price

As the father of value investing, Ben Graham, once famously said, in the long term, the market is a weighing machine that almost always correctly "weighs the substance of a company."

That means its safety, quality, risk profile, management skill, and growth potential. The good, bad, and ugly about any company are usually going to be priced into historical market-determined fair-value multiples.



(Source: FAST Graphs, FactSet Research)

With growth rates of 30%-70% over the last 20 years, billions of investors outside of bear markets and bubbles have determined that 24x-26x cash flow is approximately intrinsic value for Amazon.

Valuation

	CY '20 DEC '20	CY '21E DEC '21E	CY '22E DEC '22E	CY '23E DEC '23E	CY '24E DEC '24E	CY '25E DEC '25E	CY '26E DEC '26E
Price/Earnings (x)	77.9	71.5	51.5	37.2	28.3	22.1	16.4
PEG Ratio (x)	2.2	2.0	1.5	1.1	0.8	0.6	0.5
Price/Book Value (x)	17.6	12.5	9.5	7.1	5.6	4.4	-
Price/Cash Flow (x)	25.1	24.1	19.2	15.7	11.5	9.8	8.6
Price/Free Cash Flow (x)	53.6	47.1	34.2	26.8	18.1	14.5	12.0
Price/Sales (x)	4.2	3.6	3.1	2.7	2.4	2.1	1.9
Enterprise Value/Sales (x)	4.3	3.7	3.1	2.7	2.4	2.1	1.9
Enterprise Value/EBITDA (x)	29.3	24.8	19.7	16.2	12.6	10.4	8.6
Enterprise Value/EBIT (x)	73.2	59.6	41.1	29.7	23.6	18.8	13.3
Enterprise Value/FCF (x)	54.1	47.6	31.0	22.9	17.4	13.8	11.3
Dividend Yield (%)	0.0	0.0	0.0	0.0	-	-	-
Sales/Share (x)	769.4	942.7	1,110.9	1,281.9	1,453.6	1,633.9	1,819.9
Return on Assets (ROA) (%)	6.6	6.6	7.9	9.3	9.9	10.6	11.9
Return on Equity (ROE) (%)	22.6	17.5	18.3	19.1	19.7	19.9	-

Valuation data as of 28 Apr '21
Enterprise Value from Factset Fundamentals

(Source: FAST Graphs, FactSet Research)

Today, the stock is trading at 24.1x forward cash flow, a modest discount to its historical fair-value average.

To model AMZN's market-determined fair value, it's important to use multiples that haven't been compressing in recent years. Hence the chart below.

Metric	Historical Fair Value Multiple (13-years)	2020	2021	2022	2023
Owner earnings	26.1	$4,857.26	$4,210.22	n/a	n/a
Operating cash flow	25.1	$3,251.52	$3,458.42	$4,147.69	$4,878.51
FCF	58.3	$2,964.24	$3,939.18	$5,593.58	$7,140.68
EBITDA	40	$3,100.71	$5,559.57	$6,932.92	$8,333.79
Average		$3,409.22	$4,164.95	$5,318.08	$6,451.38
Current price	$3,417.43				
Discount to fair value		-0.24%	17.95%	35.74%	47.03%
Upside to fair value		-0.24%	21.87%	55.62%	88.78%

(Source: FAST Graphs, FactSet Research)

Amazon's 2021 fair value puts it at about $4,200 using its operating cash flow as a guide, which is its most conservative estimate. For that matter, its growth is so strong that it rarely becomes overvalued.

This allows disciplined growth investors to dollar-cost average into the Ultra SWAN hyper-growth legend for years at a time.

Below are Dividend Kings' margin of safety figures for 9/12 speculative blue-chip quality companies.

Rating	Margin of Safety	2020 Price	2021 Price	2022 Price
Potentially reasonable buy	0%	$3,409.22	$4,164.95	$5,318.08
Potentially good buy	5%	$3,238.76	$3,956.70	$5,052.17
Potentially strong buy	15%	$2,897.84	$3,540.20	$4,520.36

Potentially very strong buy	25%	$2,556.92	$3,123.71	$3,988.56
Potentially ultra-value buy	35%	$2,216.00	$2,707.21	$3,456.75
Currently	$3,417.43	0%	18%	36%
Upside to fair value		0%	22%	56%

For a company of Amazon's quality, growth potential, and risk profile, a 5% margin of safety makes it a potentially good buy. And an 18% discount makes it a potentially strong buy for anyone comfortable with the risk profile.

This means that even if Amazon rallies 56% by the end of 2022, it would still be fairly valued as long as it grows as expected.

Reason 4: Low Fundamental Risk but Massive Wealth-Compounding Potential

If Amazon grows as analysts expect through 2023 – which it often grows faster – and returns to historical fair value, then analysts expect 43% total returns and 14.2% compound annual growth rate returns.

That's a whole lot better than the -1.7% CAGR expected from the S&P 500.

Amazon can conservatively deliver almost 15% returns with very little fundamental risk. And, over the long term, its return outlook also is exceptional.

If the company grows as analysts expect through 2026 and returns to historical fair value, investors can expect 194% total returns. That's about triple their investment.

In terms of CAGR, they'd be looking at 20.9% vs. 4.2% for the S&P 500. That's 5x better than the market's consensus return potential.

Then, over the long term, analysts expect 34.9% growth, or 21%-50% CAGR. Which, again, nicely beats the S&P: 10.6% vs. 7.9%.

But what if Amazon only grows at 21%, the low end of the analyst consensus range, even if it achieves 10 years of 21% growth, the low end of its growth consensus range, it would still deliver far superior wealth compounding compared to the S&P 500 and dividend aristocrats.

Risk Profile: Why Amazon Isn't Right for Everyone

There are no risk-free companies, and no company is right for everyone. So you have to be comfortable with Amazon's fundamental risk profile before you buy into it.

Here's a large chunk of Morningstar's assessment of its fundamental risks:

> *"We believe that the uncertainty for Amazon is high and that, despite being an e-commerce leader, the company faces a variety of risks.*
>
> *"Amazon must protect its leading online retailing position, which can be challenging as consumer preferences change, especially post-COVID-19 (as consumers may revert back to prior behaviors), and traditional retailers bolster their online presence.*
>
> *"Maintaining an e-commerce edge has pushed the company to make investments in non-traditional areas, such as producing content for its Prime Video subscriptions and building out its own transportation network.*
>
> *"Similarly, the company must also maintain an attractive value proposition for its third-party sellers. Some of these investment areas have raised investor questions in the past, and we expect management to continue to invest according to its strategy, despite periodic margin pressure from increased spending.*
>
> *"The company must also continue to invest in new offerings. AWS, transportation, and physical stores (both Amazon-branded and Whole Foods) are three notable areas of investment. These decisions require capital allocation and management focus and may play out over a period of years rather than quarters.*
>
> *"Continued international expansion will likely require similar investment and management attention but will also increase exposure to different regulatory environments. Some countries have instituted or may institute protectionist policies.*
>
> *"Even domestically over the last several years, lawmakers from both parties have increasingly focused on the amount of market power large technology companies have accrued. Antitrust, data privacy and section 230 have been repeatedly invoked.*
>
> *"From an ESG (environmental, societal, and governance) perspective, data breaches and service outages are a concern for any type of cloud service provider.*
>
> *"As a retailer, Amazon has personal information for hundreds of millions of consumers around the world, while AWS hosts proprietary mission critical data for enterprises."*

But if you can handle all of that...

In Conclusion...

Amazon remains the quintessential growth story of our age. Plus, it's the very definition of optionality with a fortress balance sheet.

And it has the potential to become one of the best dividend stocks in the world.

Admittedly, analysts don't expect that to happen until at least 2026. But Amazon's rivers of free cash flow will easily support a rapidly growing dividend if and when that day does come.

Considering how Amazon's cash hoard should reach $601 billion by 2026, and be growing by $156 billion per year, we just don't see it capable of reinvesting that much money that quickly into more growth.

Buybacks and dividends are inevitable. Institutions will simply start demanding it after a certain point.

In that case, buying Amazon today at an 18% discount doesn't just mean locking in market-crushing return potential in both the short and long term. It also means ensuring that when dividends begin pouring out of this cash-rich company...

Your position's income stream could be enormous.

Buying Amazon today at $3,417 means that its dividends 20 years from now could represent a yield on cost of 13% to 50%. And that's conservatively.

For those with very long-time horizons, such as 50 years, Amazon's inflation-adjusted dividends could recouping their investment today by 2x-164x - each and every year.

Amazon's growth will eventually slow. No company can grow at 35% forever, after all.

But when that day finally comes, its dividends will be generating a river of very safe and steadily rising income that will fund many a rich retirement.

And to Dividend Sensei, myself, and my son, that makes for something worth investing in.

Author's note: Brad Thomas is a Wall Street writer, which means he's not always right with his predictions or recommendations. Since that also applies to his grammar, please excuse any typos you may find. Also, this article is free: written and distributed only to assist in research while providing a forum for second-level thinking.

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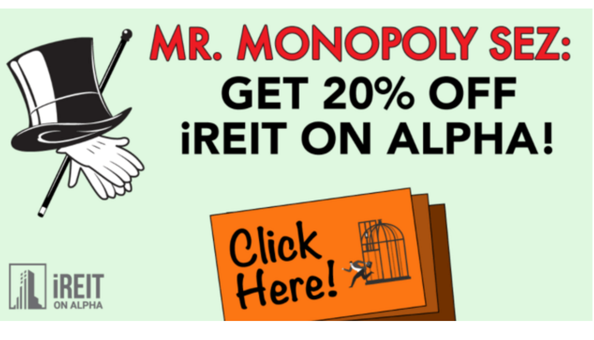

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Disclosure: I am/we are long AMZN. I wrote this article myself, and it expresses my own opinions. I am not receiving compensation for it (other than from Seeking Alpha). I have no business relationship with any company whose stock is mentioned in this article.

Additional disclosure: Dividend Sensei owns AMZN

67 Likes 255 Comments

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Comments (255)

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ex institutional listed derivatives analyst — 04 May 2021, 12:36 PM
Comments (541) | + Follow

@Brad Thomas analysis is on AMZN's future prospects. There are always going to be short term swings both ways. Investors cannot time the market because nobody knows which way it will go in the short term. If you don't have the discipline to hold a stock for at least 5 years, you aren't an investor, you are a trader.

Reply Like (2)

Brad Thomas — 04 May 2021, 1:06 PM
Marketplace Contributor Premium Comments (53.61K) | + Follow

Author's Reply @ex institutional listed derivatives analyst Yup. I'm in it (long term) to win it!

Reply Like

midcoast — 04 May 2021, 1:41 PM
Comments (236) | + Follow

@ex institutional listed derivatives analyst Agree on future prospects. But all stocks can get ahead of themselves. Is buying the dip a form of market timing? Yes, it is. And AMZN is dipping from its high on the day of this article's publication. With each day's drop the stock becomes a better value. I'm willing to wait and see how the Market responds.

Reply Like (2)

ex institutional listed derivatives analyst — 04 May 2021, 4:01 PM
Comments (541) | + Follow

@midcoast That's the thing, you never know if it's a low or a high. Don't learn the hard way like I did. I tried to time MSFT in 1989 to get in at $90. I had an order in at $90 for 100 shares. It never went back to $90. I lost out on huge gains. I also bought AMZN at $72 in 2006 and saw it go down in 2008 but I held onto it and I still own it. It's worth more than my brand new large house. (edited)

Reply Like (1)

See More Replies

Brad Thomas — 03 May 2021, 8:26 PM
Marketplace Contributor Premium Comments (53.61K) | + Follow

Author's Reply 2 Ways REIT Investors Could Benefit From Higher Taxes

seekingalpha.com/...

Reply Like

midcoast — 03 May 2021, 6:34 PM
Comments (236) | + Follow

"All in." A most unfortunate title and publication timing. Down $150+ per share since your article. Not chicken feed for the average joe investor who buys a few shares at a time. Perhaps I'll wait a bit longer and ride with what I already own. Buying at this level would decimate my average annual return number. That number make me feel good. I have a good-until- canceled buy limit order open that's well below the current price. It might never reach the limit value of my open buy order but I can always buy a bit above that limit. Let's see what the next few weeks bring.....

Reply Like (1)

Gary J is Rich on AMZN — 03 May 2021, 6:45 PM
Comments (28.54K) | + Follow

@midcoast

"Buying at this level would decimate my average annual return number.'

Perfect example of market timing guesser fail. AMZN up 80% 2 yr. A gazillion percent 20 yr. Buy any time at any price. Period.

Reply Like (7)

midcoast — 04 May 2021, 9:42 AM
Comments (236) | + Follow

@Gary J is Rich on AMZN Now down $180. I'll still wait.

Reply Like (1)

midcoast — 04 May 2021, 9:48 AM
Comments (236) | + Follow

@Gary J is Rich on AMZN And I haven't failed much on AMZN. Did fail some because I sold a few shares.

Reply Like

See More Replies

Who Dat? — 03 May 2021, 5:08 PM
Comments (7K) | + Follow

Did Bezos declared stock split? 😂

Reply Like

as10675 — 03 May 2021, 5:38 PM
Comments (25K) | + Follow

@Who Dat?
"Did Bezos declared stock split?"

No, he declared that he was splitting. No longer the CEO of AMZN.
New role as executive chairman that will involve weighing in on big-picture decisions like product strategy and new projects.

Anyone think that AMZN growth is over?

Reply Like (2)

johnny corsaro — 03 May 2021, 3:02 PM
Premium Comments (1.04K) | + Follow

Nice call Brad. AMZN now down over 100 a share and still dropping

Reply Like

JMS89 — 03 May 2021, 3:09 PM
Comments (382) | + Follow

@johnny corsaro did he twist your arm and tell you to buy? If you aren't long in amazon you are a fool.

Reply Like (2)

johnny corsaro — 03 May 2021, 3:15 PM
Premium Comments (1.04K) | + Follow

@JMS89 What are you saying.? This has nothing to do with twisting arm. Brad is in the business of giving tips to his clients and to do that he tries to pick out some winners. This is not about arm twisting. I could have added more but then lost more get it?

Reply Like

Randol33 — 03 May 2021, 3:26 PM
Comments (1.11K) | + Follow

@johnny corsaro Amazon has been going up and down a few hundred bucks for the last 8 months. Brad's article just happen to hit at one of the peaks, wait for $3000 then buy, sell at $3500 and repeat till the end of the year. Even brads fast graph showed amazon flat the rest of the year.

Reply Like (1)

See More Replies

Illuminati Investments — 03 May 2021, 2:38 PM
Comments (18.22K) | + Follow

When a REIT guy and a dividend guy both say to buy a non-REIT, non-dividend stock, that might be a sign of the top...

Reply Like (3)

Brad Thomas — 03 May 2021, 2:41 PM
Marketplace Contributor Premium Comments (53.61K) | + Follow

Author's Reply @Illuminati Investments Ha - The REIT has delivered annual returns of 28% since 2013...and the non-REIT is the #1 analyst on TipRanks....

Reply Like (6)

TechSales — 03 May 2021, 1:11 PM
Premium Comments (474) | + Follow

Want to watch Thursday night NFL football in 2020? Get Amazon Prime....

Reply Like (1)

caiofariasbr — 03 May 2021, 10:39 AM
Premium Comments (2) | + Follow

I've been holding it since 2015. +1100% and I'll keep holding it.

Reply Like (2)

Brad Thomas — 03 May 2021, 10:47 AM
Marketplace Contributor Premium Comments (53.61K) | + Follow

Author's Reply @caiofariasbr Nice job!

Reply Like

veridical — 03 May 2021, 6:41 AM
Comments (762) | + Follow

long AMZN ?....sure you are .....lol

you were buying long on SPG at $200 a share , until the rewrite

AMZN will do fine , with or with out you , and can you believe it , when you pay a subscription fee at Amazon , you get something for your money

have you seen this ?...I hear it helps with writers block

www.amazon.com/...

Reply Like

Brad Thomas — 03 May 2021, 9:34 AM
Marketplace Contributor Premium Comments (53.61K) | + Follow

Author's Reply @veridical

What's Simon Worth?

seekingalpha.com/...

Reply Like (1)

Winnertakesall — 03 May 2021, 1:04 AM
Comments (1.87K) | + Follow

Amazon should have been broken up soon after they bought the Washington Post and used it for political gain.

Reply Like (3)

Brad Thomas — 03 May 2021, 9:34 AM
Marketplace Contributor Premium Comments (53.61K) | + Follow

Author's Reply @Winnertakesall Good point ;)

Reply Like (1)

broeckc — 03 May 2021, 11:19 AM
Comments (1) | + Follow

@Winnertakesall Amazon didn't buy Washington Post...Jeff Bezos did

Reply Like (4)

incinvestor31 — 03 May 2021, 12:28 PM
Comments (892) | + Follow

@Winnertakesall Perhaps they should have bought NewsMax and made it even more ridiculous; kind of like a comedy channel for the stupid.

Reply Like (3)

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Brad Thomas — 02 May 2021, 3:25 PM
Marketplace Contributor Premium Comments (53.61K) | + Follow

Author's Reply What's Simon Worth?

seekingalpha.com/...

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GameBuzz — 02 May 2021, 12:27 PM

Marketplace Comments (2.45K) | + Follow

I really appreciate the work on this. Definitely helps future consideration. I wonder if this was originally mentioned a year ago when it was much less, as it seems nothing has changed. (I added a bit when it dropped under $2k, sold a bit over $3k to have cash waiting for a summer dip to try again.) Amazon weathered the lockdowns as well r better than anyone. Thanks again.

Reply Like

albertciampi 01 May 2021, 8:53 PM

Premium Comments (99) | + Follow

My grandchildren have 9 shares now. I add fractional shares every month. There's always the risk that the Justice Department will break AMZN up, and misguided liberal members of Congress will try to tax and regulate it. However this is one of the greatest companies of all time and you can't argue with success.

Reply Like (1)

Shangrila Value 02 May 2021, 5:24 AM

Comments (3.01K) | + Follow

@albertciampi It's ok to TAX it.

Reply Like (1)

Brad Thomas 02 May 2021, 9:34 AM

Marketplace Contributor Premium Comments (53.61K) | + Follow

Author's Reply @albertciampi Nice job - Thanks for reading & commenting

Reply Like

ChuckXX 02 May 2021, 10:28 AM

Comments (4.02K) | + Follow

@albertciampi Sometimes in life when you break a very large company up the parts actually do better than the original company. So breaking AMZN may not be a bad thing. I bought 6 shares for my daughter as well.

Reply Like (1)

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Brad Thomas 01 May 2021, 7:43 PM

Marketplace Contributor Premium Comments (53.61K) | + Follow

Author's Reply Realty Income Is One Heck Of A Moat-Worthy REIT

seekingalpha.com/...

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Sergi Medina 01 May 2021, 7:21 PM

Comments (711) | + Follow

I love AMZN too. That's why I buy almost everything there and it's my biggest position by far. Now it's historically undervalued.

Reply Like (4)

Brad Thomas 01 May 2021, 12:49 PM

Marketplace Contributor Premium Comments (53.61K) | + Follow

Author's Reply 2 Net Lease REIT Rascals To Avoid

seekingalpha.com/...

Reply Like

Madalo 01 May 2021, 11:24 AM

Comments (73) | + Follow

"For those with very long-time horizons, such as 50 years,"

What?? 50 years? Even 20 year-olds hardly have a 50 year time horizon for investing.

Reply Like (3)

Michu 01 May 2021, 11:34 AM

Marketplace Comments (1.05K) | + Follow

@Madalo good point. yes, in 50 years I will be dead. A more reasonable period would be the next 3-5 years. *(edited)*

Reply Like (4)

as10675 01 May 2021, 11:51 AM

Comments (25K) | + Follow

@Madalo

"Even 20 year-olds hardly have a 50 year time horizon for investing."

Mine is the next 84 years to cover the life time of my youngest grand child. She id 9 years old now. My oldest is 18 years old. When they have the first great grand child the time line resets to 94 years.

Now if you think this is unreasonable time line that 9 year old most likely will have more wealth in every year of her life than most anyone reading this comment when compared to every year of their life. And this is because of an 84 year vision of success.

Reply Like (7)

CaptainNoob 01 May 2021, 1:39 PM

Comments (502) | + Follow

@as10675 Exactly. Plan for not just yourself, but your future generations as well.

Reply Like (1)

See More Replies

Sam_12 01 May 2021, 9:52 AM

Premium Marketplace Comments (632) | + Follow

I've bought into what Dividend Sensei & Brad are saying. This is a wonderful growth company at a fair price. As it matures, it will eventually provide a dividend. I'm buying as I can afford to buy. I'd like to eventually double or triple my position. I have to add as I can because the money I'm using is money that I won't need for living purposes, and I also have to consider that the money devoted to AMZN won't provide an income. If the tax law changes so that gains are taxed at death, I'll have to consider intervivos gifting to my children.

Reply Like

as10675 01 May 2021, 10:27 AM

Comments (25K) | + Follow

@Sam_12
"AMZN won't provide an income."

I paid a lot of income tax on the income that AMZN provided me.

" As it matures, it will eventually provide a dividend."

We don't know that.
AMZN has too many ambitions to pay a dividend. It is like saying TSLA will eventually pay a dividend.

Reply Like (1)

Sam_12 01 May 2021, 10:43 AM

Premium Marketplace Comments (632) | + Follow

@as10675 Of course, you are right that nothing is for sure. I was merely expressing an opinion. I'm often wrong, but I am willing to invest in the company based on what I've learned. I'm thinking the company is a long term hold. I'm not a young person. I'll never see a dime of income from it. But I intend to pass my shares onto my children and/or grandchildren. If I am correct, they will profit handsomely from the investment. Dividend or no dividend is really irrelevant to my decision to buy. I've bought Facebook and overweighted it based on similar logic, and I've started a position in BABA and JD, again based on similar logic. Investment is all about being in the game, taking informed risk, and it will either work out, or it won't.....

Reply Like (1)

Brad Thomas 01 May 2021, 10:45 AM

Marketplace Contributor Premium Comments (53.61K) | + Follow

Author's Reply @Sam_12 Thanks for your comments...

Working on a capital gains article for iREIT on Alpha members...

Come join us ...

Brad's Saturday Update

seekingalpha.com/...

All the best!

Reply Like

NorthernTek 01 May 2021, 9:10 AM

Premium Marketplace Comments (15) | + Follow

Good article , its a rocket ship that keeps adding new business streams. The author did not even talk about its gaming business which is a massive future as well

Reply Like (3)

Brad Thomas 01 May 2021, 8:57 AM

Marketplace Contributor Premium Comments (53.61K) | + Follow

Author's Reply Brad's Saturday Update

seekingalpha.com/...

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